

Opening Statement of the Joseph R. Pitts
Subcommittee on Health
Hearing on “Keeping the Promise: Allowing Seniors to Keep Their Medicare Advantage
Plans If They Like Them”
March 13, 2014

(As Prepared for Delivery)

Nearly 15 million seniors, or almost 30 percent of Medicare beneficiaries, have chosen to enroll in a Medicare Advantage (MA) plan, an alternative to fee-for-service (FFS) or traditional Medicare.

MA plans offer benefits not provided under traditional Medicare, such as reduced cost-sharing, vision and dental coverage, preventive care, and care coordination services.

Numerous studies show that MA enrollees enjoy better health outcomes and receive higher quality care than those in traditional Medicare.

So, who are MA beneficiaries? Medicare Advantage covers a disproportionate share of low-income and minority seniors when compared to traditional fee-for-service Medicare. Four in ten seniors with MA plans have incomes of \$20,000 or less.

Medicare Advantage is fundamentally about offering seniors the choice of better health care than traditional Medicare. Beneficiaries choose the plans that best meet their individual health needs. And, according to the latest CMS National Health Expenditures data, more than half of new Medicare enrollees are choosing Medicare Advantage plans.

We should be encouraging seniors to take control of their health care and expanding this proven program. Instead, the Obama Administration policies are harming seniors by reducing their choices of high quality care through a series of cuts to the Medicare program that began with Obamacare.

According to the Congressional Budget Office, Obamacare cut more than \$700 billion from Medicare and spent the money on new government programs not for seniors. CBO also has said more than \$300 billion of those cuts come from Medicare Advantage.

Last year, CMS imposed regulatory cuts of 4 to 6 percent on MA plans, resulting in benefit reductions of \$30-\$70 per senior per month.

And, on February 21, 2014, CMS released its 2015 Advance Notice outlining changes to Medicare Advantage payment policies, which an Oliver Wyman study estimates will result in an additional cut of nearly 6 percent.

This newest cut is projected to cause seniors to lose an additional \$35-\$75 per month in benefits.

According to experts, these cumulative cuts from the Democrats' policies on seniors could result in “plan exits, reductions in service areas, reduced benefits, provider network changes, and MA plan disenrollment.”

The week before last, this Subcommittee held a hearing on the Administration's assault on Medicare Part D prescription drug plans. Now, we're hearing about more crippling cuts to Medicare Advantage.

Why is the Administration dead set on pushing policies that harm seniors and using their Medicare program as a piggy bank to fund other health care programs?

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